

# Grayson Rural Electric Cooperative Corporation

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Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

March 31, 2011

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

RECEIVED

MAR 30 2011

PUBLIC SERVICE  
COMMISSION

Dear Mr. Derouen:

Pursuant to Commission Order in Case No. 2008-00128 dated August 20, 2008, attached for filing is an original and six copies of a updates to Grayson's Tariff for Qualified Cogeneration and Small Power Production Facilities.

Very truly yours,



Don M. Combs  
Manager Finance & Accounting

Enclosures

P.S.C. KY NO. 8

CANCELS P.S.C. KY NO. 7

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
OF  
GRAYSON, KENTUCKY

RATES, RULES, AND REGULATIONS FOR PURCHASING  
ELECTRIC POWER AND ENERGY  
AT  
VARIOUS LOCATIONS THROUGHOUT ITS SERVICE TERRITORY  
FROM  
QUALIFIED COGENERATION AND  
SMALL POWER PRODUCTION FACILITIES

FILED WITH THE PUBLIC SERVICE COMMISSION  
OF KENTUCKY

ISSUED March 31, 2011

EFFECTIVE June 1, 2011

ISSUED BY GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BY



Carol Hall Fraley  
President and Chief Executive Officer

GRAYSON RURAL ELECTRIC

COGENERATION AND SMALL POWER PRODUCTION  
POWER PURCHASE RATE SCHEDULE OVER 100 kW

**AVAILABILITY**

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with East Kentucky Power Cooperative and Grayson Rural Electric for the purchase of electric power by East Kentucky Power Cooperative.

**RATES**

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

1. Capacity

- a. \$41.15 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative. (R)
- b. \$0.00526 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (R)

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

Year	<u>Winter</u>		<u>Summer</u>	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2011	\$0.03630	\$0.03270	\$0.03860	\$0.02742
2012	\$0.04281	\$0.03716	\$0.04829	\$0.03319
2013	\$0.04914	\$0.04157	\$0.05163	\$0.03548
2014	\$0.05434	\$0.04598*	\$0.05622	\$0.03879
2015	\$0.05991	\$0.05156	\$0.06081	\$0.04225

(R)  
(R)  
(R)  
(R) (I)\*  
(N)

b. Non-Time Differentiated Rates:

Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Rate	\$0.03407	\$0.04056	\$0.04488	\$0.04935	\$0.05430*

(R) (N)\*

DATE OF ISSUE March 31, 2011

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ISSUED BY 

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00128 Dated August 20, 2008

GRAYSON RURAL ELECTRIC

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The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

**On-Peak** 7:00 a.m. - 12:00 noon  
5:00 p.m. - 10:00 p.m.

**Off-Peak** 12:00 noon - 5:00 p.m.  
10:00 p.m. - 7:00 a.m.

Summer (May - September)

**On-Peak** 10:00 a.m. - 10:00 p.m.

**Off-Peak** 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

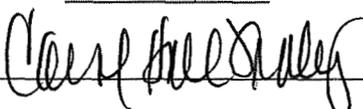
1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and the member cooperative's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

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GRAYSON RURAL ELECTRIC

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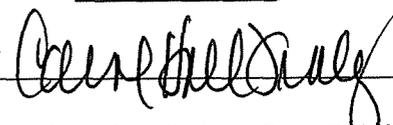
6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
  - a. Public Liability for Bodily Injury - \$1,000,000.00
  - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

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GRAYSON RURAL ELECTRIC

COGENERATION AND SMALL POWER PRODUCTION  
POWER PURCHASE RATE SCHEDULE  
LESS THAN 100 kW

**AVAILABILITY**

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with East Kentucky Power Cooperative and Grayson Rural Electric for the purchase of electric power by East Kentucky Power Cooperative.

**RATES**

1. Capacity

- a. \$41.15 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative. (R)
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(R)  
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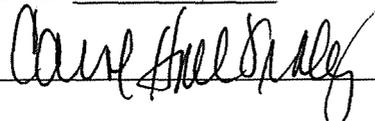
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**Off-Peak** 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

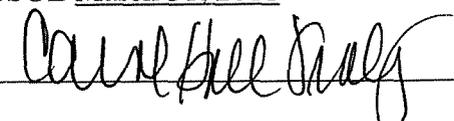
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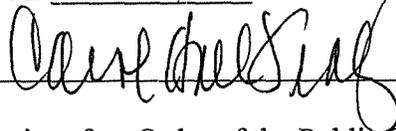
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